

MINUTE ITEM

30. (WATERFLOODING PROGRAM, LONG BEACH OIL DEVELOPMENT CO. PROPERTIES, WILMINGTON - L.B.W.O. 10,077.)

Following presentation of Informative Calendar Item 39 attached, the Executive Officer indicated that in view of very recent information from the office of the Attorney General he wished to amplify the written presentation. He recommended that the Commission find that the cooperative agreement is in the public interest, pursuant to Section 6879 of the Public Resources Code, and, on this basis, authorize the Executive Officer to advise the City of Long Beach that the cooperative agreement had been approved subject to receipt by the Commission of a resolution adopted by the City of Long Beach setting forth the determination required by said City pursuant to Public Resources Code Section 6879.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED BY THE STATE LANDS COMMISSION FINDING THAT THE ENTERING INTO AND THE PERFORMANCE OF THE AGREEMENT UNDER THE WATERFLOODING PROGRAM KNOWN AS "COOPERATIVE AGREEMENT - FAULT BLOCK III (TAR AND RANGER ZONES)", BETWEEN THE SOUTHERN CALIFORNIA EDISON COMPANY, THE LOS ANGELES & SALT LAKE RAILROAD COMPANY (UNION PACIFIC RAILROAD COMPANY), AND THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, FOR AND ON BEHALF OF THE CITY OF LONG BEACH, AND ON ITS OWN BEHALF IN ITS OFFICIAL CAPACITY, THROUGH ITS CONTRACTOR, THE LONG BEACH OIL DEVELOPMENT CO., IS IN THE PUBLIC INTEREST; AND THAT AS REQUIRED BY SECTION 6879 OF THE PUBLIC RESOURCES CODE, SUCH COOPERATIVE AGREEMENT PROVIDES THAT ANY IMPAIRMENT OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION OR FISHERIES TO WHICH THE GRANTED LANDS ARE SUBJECT IS PROHIBITED, AND THAT SAID AGREEMENT PROVIDES FOR ITS SUBMISSION TO THE STATE LANDS COMMISSION FOR APPROVAL; SAID COMMISSION APPROVAL BEING SUBJECT, HOWEVER, TO THE RECEIPT BY THE COMMISSION OF A RESOLUTION OF THE LONG BEACH CITY COUNCIL DETERMINING THAT SUCH AGREEMENT "IS IN THE INTEREST OF INCREASING THE ULTIMATE RECOVERY OF OIL OR GAS FROM SUCH LANDS, OR OF THE PROTECTION OF OIL OR GAS IN SAID LANDS FROM UNREASONABLE WASTE, OR THAT THE SUBSIDENCE OR SINKING OF SUCH LANDS AND ABUTTING LANDS MAY POSSIBLY BE ARRESTED OR AMELIORATED THEREBY". SAID RESOLUTION FURTHER AUTHORIZED THE EXECUTIVE OFFICER OF THE COMMISSION TO ADVISE THE CITY OF LONG BEACH THAT THE EXECUTION OF THE COOPERATIVE AGREEMENT HAS BEEN APPROVED CONDITIONALLY.

Attachment

Calendar Item 39 (1 page)

CALENDAR ITEM

SUPPLEMENTAL - INFORMATIVE

39.

(WATERFLOODING PROGRAM, LONG BEACH OIL DEVELOPMENT CO. PROPERTIES, WILMINGTON - L.B.W.O. 10,077.)

The Executive Officer has received a letter, dated September 29, 1958, from the office of the City Attorney of Long Beach, requesting the advance consent of the State Lands Commission to the execution of a "Cooperative Agreement - Fault Block III (Tar and Ranger Zones)" in the Wilmington Field.

This agreement essentially provides for the injection of water into the Tar and Ranger Zones of Fault Block III by Southern California Edison Company, Los Angeles & Salt Lake Railroad Co. (Union Pacific), and Board of Harbor Commissioners of the City of Long Beach through its contractor, the Long Beach Oil Development Co., each on their respective properties. The agreement contains hold-harmless clauses by and between all parties. The City of Long Beach is requesting the advance consent of the State Lands Commission as provided for in Section 10(b), Chapter 29, Statutes of 1956, 1st E. S. The proposed cooperative agreement does not provide for expenditure of funds because it is intended to carry out the project under the 180,000-barrel flood program approved by the Commission on June 13, 1957 (Minute Item 21, page 3233), subject to a \$4,000,000 limitation on expenditures.

The State Lands Division has referred the draft of the Cooperative Agreement to the office of the Attorney General for determination of: (a) its legal sufficiency as to protecting the State's beneficiary rights, and (b) any legal implication that might result if the Commission gave its advance approval of the agreement in view of pending litigation in Case No. 800-58 WM Civil, U.S.A. vs. Anchor Oil Corporation, et al. (Long Beach Subsidence Matter), U.S.D.C., Southern District, Los Angeles County.